

SECRET

19 May 1950

MEMORANDUM TO: Hazardous Pay Plan Committee

SUBJECT: Hazardous Duty Incentives.

1. A preliminary study on the broad subject of employee morale and motivations, as related to employment by CIA in hazardous or covert intelligence activities, has revealed serious deficiencies in the rights, privileges, and benefits which CIA as a Government Agency can now offer certain of its employees engaged in ^{exceptional domestic duties and generally hazardous} hazardous ~~or~~ covert foreign activities.

2. It is believed that the three most basic employee requirements which any vocation must provide, or make possible ^{in varying degrees}, are the following:

a. The work must be of a sufficient degree of interest to the employee with compensation and recognition commensurate to ^{his} the abilities, efforts, and ambitions. ~~of the individual.~~

b. The work must provide the employee with a reasonable assurance of continuing employment, the possibility of retirement, and safeguards against death, disability and other hazards specifically attributable to the nature of the work as compared to the general field of civilian employment. In the absence of these requirements, there must be compensatory monetary rewards which would allow the employee to independently make provisions for the contingencies of death disability and old age.

c. The work must make possible or at least not interfere with a satisfactory family and/or social life ^{and be performed in an environment which provides} with sufficient outlets for recreation, social and spiritual diversions. To the extent that the specific employment denies or interferes with these normal human requirements, either compensatory inducements must be offered or high employee attrition and limited ^{at fields} expected.

Specifically it is believed that all CIA employees engaged in Govt activities ^{in foreign countries} ^{and impairment of} ^{social} ^{well being} serious risks to their physical and mental well being which they would not encounter in normal commercial or govt careers. In addition ~~the~~ the group it is anticipated that certain employees in the US will necessarily be actually engaged in physically hazardous duties.

3. It is fully realized that the preceding analysis of employee requirements is not inflexible. The motivations and desires of individuals conform to no precise formula. Nevertheless, we are convinced that certain types of employment with CIA do not fulfill the cited basic requirements of the average employee. *Specifically, it is to be noted that all CIA employees engaged in overseas covert operations are subjected to serious psychological and actual dangers to*

insert The results, we believe, have been and will continue to be as follows:

- a. Reluctance of employees to accept certain types of assignments; particularly assignments to foreign areas.
- b. Lack of adequate recruitment inducements to persuade the highest type candidates to forsake commercial or normal government employment in view of obvious disadvantages and risks of CIA employment.
- c. A high attrition rate particularly among employees who are approaching or who have arrived at their most productive period as the result of many years experience, training and foreign area residence.

4. The particular deficiencies and risks of CIA employment in covert activities are quite specific and can be fully illustrated by factual examples.

Although Nevertheless, the incidence of injury, death or hardship to an employee or his family can not be foreseen actuarially. *The risks and hardships are definite and should be offset as much as possible by inducements and safeguards with the objective of creating a select service of the highest quality of personnel.*

These risks and disadvantages include, but are not limited to, the following:

- a. Death, injury, or imprisonment for the employee or members of his family at the hands of either foreign governments or hostile groups as the result of disclosure, or suspicion of involvement in covert activities for the U. S. Government.

- b. Reduced assurance of continuing employment as a career intelligence employee due to loss of usefulness arising from necessity of

inadvertent disclosure and/or retaliatory ejection by foreign governments.

c. Physical or mental breakdown occasioned by the extraordinary tensions and pressures of covert activities.

d. Physical disability and illness occasioned by the placement of employees at notably unhealthful posts.

e. Lack of recognition in the employee's vocational and social life occasioned not only by the high degree of anonymity required by CIA covert activities, but, also, the not infrequent requirement that employees assume an inferior social or vocational status for cover reasons.

f. Lack of desirable environment and facilities for the maintenance, education, and development of a family.

6. Any plans to provide for rights, privileges, and benefits to employees to offset these disadvantages of CIA covert or hazardous employment must

be reasonable, easily administered, ^{and} not excessively costly, and ^{perhaps must be} compatible with the prevailing political and legislative views. With these factors in mind, various types of special incentives and safeguards have been reviewed. Of this group, a select few are discussed in following paragraphs as ^{seemingly} ~~being~~ the most effective and the most practical.

Accelerated Retirement

Legislative action is recommended which will provide time and one half credit for each month, or fraction of a month, spent in foreign countries in connection with the covert activities of CIA.

In addition to this extra service credit for foreign duty, it is proposed that the normal minimum retirement age limit be reduced by each month of foreign duty. To illustrate: assume an employee during his career of 10 years of service, 12 months of which were spent in foreign duty, would be eligible for retirement at age 62. If the normal minimum retirement age limit is reduced by one month for each month of foreign duty, the employee would be eligible for retirement at age 60. This would be a significant improvement in the retirement benefits of CIA employees.

under the normal Retirement System, and in addition, spend twelve years in foreign countries engaged in covert activities. His retirement service is 30 years ($12 \times (12 \div 1.5)$). His retirement age limit has been reduced from age 62 to age 50. Accelerated retirement on this basis would not only be a tremendous inducement to accept the risks and hardships of overseas employment on covert activities, but would also recognize the debilitating and exhausting effects of foreign service performed under terrific tension.

Continuation of Pay during Periods of Imprisonment.

In the event an employee is imprisoned under circumstances which indicate that the imprisonment is directly or indirectly attributable to the covert duties of the employee, he shall continue to receive his base pay together with appropriate in-grade promotions without regard, however, to the normal limitations on the range of within-grade promotions. To illustrate: a GS-9 imprisoned for 20 years would progress from a base of \$4600 to \$7400 at promotion intervals of twelve months through grade GS-11 and at 18 months intervals thereafter. Grade classifications would be ignored under these circumstances.

Death Benefit

In the event an employee dies while overseas in conjunction with covert operations of CIA, and there is a reasonable presumption that his death may have been caused or induced by parties unknown because of suspicion or knowledge of such covert activities, a death gratuity payment in an amount equal the base pay of the employee for one year will be paid to the estate of the deceased.

Family Compensation Payments

or disability of the immediate members of an employee's family was caused or induced by parties unknown because of suspicion or knowledge of the covert activities of the employee, the standards of the Employee Compensation Act shall be applied as regards to lump sum payments and hospitalization.

Excepted status

Any employee of CIA whether serving overseas or in the United States who is designated by the DCL in writing as being engaged in exceptionally rigorous duties shall be eligible for the benefits and protections prescribed above for employees engaged in covert activities in foreign countries.